

June 3, 2008

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Service Rules for Advanced Wireless Services in the 2155-2175 MHz Band (WT Docket No. 07-195) (AWS-3); Service Rules for Advanced Wireless Services in the 1915-1920 MHz, 1995-2000 MHz, 2020-2025 MHz and 2175-2180 MHz Bands (WT Docket No. 04-356) (AWS-2)

Dear Ms. Dortch:

We understand that the Commission is considering a plan for the yet-to-be-auctioned AWS-2 spectrum that would break up one of the few remaining paired spectrum bands suitable for rural service – the AWS-2 “J-Block” – and combine 5 MHz of the J-Block spectrum with the unpaired 20 MHz AWS-3 band. The resulting 25 MHz of contiguous spectrum in the 2155-2180 MHz range would be offered for bidding as a single nationwide license.

While our company supports the Commission’s goal of making broadband services available to all Americans, we believe that any proposal for the AWS-2 or AWS-3 bands that calls for single nationwide licensee is the wrong approach. Adopting regulatory requirements that are tailored to a particular business model, and allocating geographic licenses that are too large for the vast majority of potential bidders, would invite the same failure as the Commission experienced with the 700 MHz D-Block in Auction No. 73. Instead, the Commission should use a building block approach for the remaining AWS spectrum and maximize the opportunities for all bidders to participate in the provision of advanced wireless services by preserving the J-Block as a paired allocation (with flexibility for licensees to deploy TDD or FDD-based technologies), and by utilizing Cellular Market Area (or “CMA”) licensing for the J-Block and other remaining channel blocks, including the AWS-3 Band. CMA licensing will maximize opportunities for bidding by new entrants, and likelihood that the spectrum could be used in conjunction with other AWS spectrum, including the bands allocated as part of AWS-1.

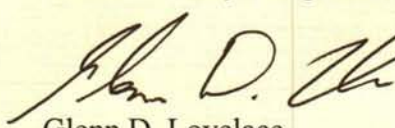
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Unfortunately, many small and rural carriers were unsuccessful in meeting their spectrum needs by participation in the AWS-1 auction and recent 700 MHz auctions due to the limited number of CMA licenses available for bidding, and the deep pockets of regional and nationwide carriers. The results of bidding in these auctions demonstrate that there is significant unmet demand for spectrum at the CMA level. Accordingly, we urge the Commission to recognize the needs of America's small and rural service providers, and to not limit opportunities by allocating what limited AWS spectrum remains available for nationwide licensing.

Please include these *ex parte* comments in the record of the above-captioned proceedings.

Respectfully submitted,

Peñasco Valley Telephone Cooperative, Inc.

A handwritten signature in black ink, appearing to read "Glenn D. Lovelace", is written over the printed name.

Glenn D. Lovelace
Chief Executive Officer